GUIDE TO GOVERNMENT ASSISTANCE PROGRAMS FOR THE QUEBEC MARINE FISHING INDUSTRY

Economic Services and Development Branch

Department of Fisheries and Oceans

Quebec Region

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INTRODUCTION

This guide describes forms of assistance available to fishermen, processors and others involved in the Quebec marine fisheries sector.

The assistance programs, which are administered by various federal government departments having a role in this sector of the economy, have been listed by department.

To make the guide easier to use, a standard format has been designed for all entries. Each outline includes the program's objectives, description, forms of assistance available and eligibility requirements where applicable, as well as contacts for further information. Because of the complexity of some of the programs, only the basic information about each one has been presented.

For further information regarding any of the programs, guide users should refer to the sources provided at the end of each entry. This guide is not intended as a vehicle for announcement of changes to programs. In the event of any discrepancies between the descriptions contained herein and official program documentation, the official documentation shall be considered true and accurate.

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1. DEPARTMENT OF FISHERIES AND OCEANS (DFO)

1.1 FISHERIES IMPROVEMENT LOANS PROGRAM

Objective

The Fisheries Improvement Loans Program is designed:

- to increase the availability of credit to fishermen for a variety of fisheries improvement projects.

Description

This program guarantees chartered banks and other lenders making application who have been designated as "lenders" under the terms of the Fisheries Improvement Loans Act against losses incurred on loans made to fishermen for a variety of fisheries improvement projects. For example, loan guarantees may be authorized for:

- purchase or construction of a fishing vessel;
- purchase or construction of fishing equipment such as auxiliary vessels, engines, winches, electronic equipment and nets;
- major repair or overhaul of a fishing vessel when the cost of such repairs or overhaul exceeds $400;
- purchase or construction of shore installations such as piers, wharves, boat houses and related equipment;

- development or improvement of a fishing enterprise such as the installation of a water system or the removal of a shore installation from one site to another.

Form of assistance

The maximum amount which a fisherman may have guaranteed with banks or other lenders under the program is $150,000. The following table summarizes the other terms and conditions of the loan guarantees, as well as the maximum proportion of the investment which may be covered by such guarantees.

Project Category	Maximum percentage of loan guaranteed	Conditions
. Purchase or construction of a fishing vessel	90%	Vessel must be insured
. Purchase or construction of fishing gear	75%	-
. Major repair or overhaul of a fishing vessel (hull, superstructure or machinery)	75%	Vessel must be insured
. Purchase or construction of shore installations	90%	-
. Development or improvement of a fishing enterprise	90%	-

The maximum rate of interest on these loans is set at one per cent over the prime lending rate and fluctuates accordingly for the duration of the loan.

The maximum period over which a loan can be repaid may not exceed 15 years.

Other terms and conditions are established by the applicant and the lender, according to the amount of the loan and the applicant's financial situation.

Eligibility

Only fishermen may qualify for assistance under this program.

For further information, contact:

Department of Fisheries and Oceans
Fisheries Improvement Loans Administration
200 Kent Street
Ottawa, Ontario
K1A 0E6

Tel: (613) 993-0984

1.2 FISHING VESSEL INSURANCE PLAN (FVIP)

Objective

The main objective of this program is:

- to provide fishermen with adequate insurance coverage at a reasonable cost in respect of the high risk associated with the operation of fishing vessels.

Description

Under this program, the federal government insures fishing vessels at reasonable cost. The insurance covers the boat and related electronic equipment. The Department of Fisheries and Oceans bases the insurance premium on the following criteria:

- type of vessel construction, materials used and safety equipment on board;
- age of vessel;
- condition of vessel, safety equipment and machinery;
- intended use of vessel;
- area in which fisherman intends to use vessel;

- qualifications of crew; and
- any other factor likely to affect the risks incurred.

The Quebec government pays half of the insurance premium, on receiving the fisherman's official receipt. The Department of Fisheries and Oceans will issue this receipt once the fisherman makes his payment.

Form of assistance

When a vessel is damaged, DFO appraisers conduct an investigation and inspect the vessel to assess the amount of the loss.

In the event of total loss, the insured value is generally paid in full. In the event of partial loss, the amount of the payment is equal to the cost of repairs, less the deductible charge paid by the insuree, which is usually 5% of the insured value. Collision protection covers up to the insured value of the vessel.

Eligibility

To qualify for the Plan, fishermen must meet the following criteria:

- fisherman must have an insurable interest in a fishing vessel as the owner or part owner;

- vessel must be registered in Canada;
- vessel must be used for fishing;
- minimum assessed value of vessel must be $500;
- fisherman must disclose any other insurance on his vessel and electronic equipment against partial or total loss.

Fishermen may address inquiries or submit applications to DFO district offices. The office responsible for this program is in Quebec City:

Department of Fisheries and Oceans
Quebec Regional Office
Fishermen's Services Division
Levasseur Building
94 Dalhousie
Quebec City, Quebec
G1K 4B8

Tel: (418) 648-5713

1.3 DIRECT SALES OF FISH TO FOREIGN VESSELS PROGRAM - OVER-THE-WHARF SALES

Objective

The main purpose of the direct over-the-wharf sales program is:

- to provide Canadian processors with market alternatives when markets for more highly processed product forms are not available.

The long-term objective is to reduce dependence on such arrangements and increase the value-added content in Canadian plants.

Description

Direct over-the-wharf sales is the term used to describe purchases by a foreign vessel of Canadian fish that has been processed in a registered Canadian plant, in accordance with pre-established Canadian minimum standards.

"Direct over-the-wharf sales" will be permitted where normal market channels are not available.

Over-the-wharf sales may be taken into account in purchase agreements with a foreign country if the fish is salted, pickled, filleted, canned, dried, frozen or smoked. The fish must be of Canadian origin.

Form of assistance

The direct sales of fish to foreign vessels program, over-the-wharf sales component, does not involve monetary subsidies. It is intended rather to provide opportunities to direct toward foreign markets products which have been processed to some extent and for which no domestic buyer can be found.

Eligibility

Over-the-wharf sales are permitted under the following conditions:

- The fish must have received the minimum degree of processing.
- Foreign vessels may be either from a country which has a bilateral fisheries agreement with Canada or from other countries. Vessels from countries which do not have a bilateral fisheries agreement with Canada cannot be permitted to fish in Canadian waters and must undertake to refrain from fishing in the NAFO regulatory area on the way into Canadian waters or on the way out.

To participate in this program, eligible processors must first enter into an agreement with at least one foreign fishing vessel. They must then request a licence for the foreign fishing vessel at least 14 days before it arrives. The licence application must be submitted along with a contract or sales arrangement in which the following points are specified:

- quantity;
- product form;
- species;

- delivery dates;
- eventual consumer; and
- the total value of the product FOB at the Canadian port.

The Department of Fisheries and Oceans will monitor the minimum processing specifications, volume and vessel stay-over time to ensure compliance with the conditions of the licence.

Proposals or requests for information may be submitted to:

Department of Fisheries and Oceans
Operations Branch
Champlain Harbour Station
P O Box 15 500
901 Cap Diamant
Quebec City, Quebec
G1K 7Y7

Tel: (418) 648-2562

1.4 DIRECT SALES OF FISH TO FOREIGN VESSELS PROGRAM - OVER-THE-SIDE SALES

Objective

The main purpose of the over-the-side direct sales program is:

- to provide fishermen with the opportunity to sell their catches where normal market channels for their landings are not available.

Description

The "direct over-the-side sales" program allows Canadian fishermen to sell their catches directly to foreign or domestic fishing vessels under very specific conditions. Three categories of over-the-side sales have been approved:

a) Fishery development/restructuring

Over-the-side sales will be considered where they are a key element in a long-run plan for the development of an underutilized species. They will also be considered where they are a key element in the restructuring of a traditional fishery.

In both cases, efforts should be made to gradually phase out over-the-side sales as the Canadian industry develops or restructures.

b) Lack of processing capacity

Over-the-side sales can be considered in situations where fishermen are unable to sell their catch because there is no local processing capability or processing capacity is insufficient.

For the longer term, other domestic solutions should be pursued where possible.

c) Temporary port market problems

Over-the-side sales can be considered when there is a temporary port market failure such that fishermen cannot sell their fish due to insufficient domestic demand for the quantity available at the negotiated price or to other unpredictable circumstances.

Eligibility

For an over-the-side sales program to be approved, certain guidelines should be applied. The main guidelines are as follows:

- Partners supplying foreign vessels must be able to identify the expected eventual consumer when contracts are being negotiated. If the product is destined either directly or indirectly for a developing Canadian market, the over-the-side sales arrangement will be disallowed.

- Foreign vessels may be either from a country which has a bilateral fisheries agreement with Canada or from other countries. Vessels from countries which do not have a bilateral fisheries agreement with Canada cannot be allowed to fish in Canadian waters and must undertake to refrain from fishing in the NAFO regulatory area either on the way into Canadian waters or on the way out.

- Fishermen will be required to adhere to the same quality standards for delivery of fish to both foreign vessels and onshore plants.

- Where possible the management of the program should be delegated to a government agency or to a fishermen's association.

- The Canadian partner must underwrite all overhead costs involved in administering the program.

- Any opportunity to increase the value-added returns to Canadians from over-the-side sales arrangements should be exploited to the fullest.

To participate in the program, fishermen must first enter into an agreement with a foreign fishing vessel. They must then apply for a licence from the Department of Fisheries and Oceans at least 14 days before the foreign vessel arrives.

Proposals and requests for information may be submitted to:

Department of Fisheries and Oceans
Operations Branch
Champlain Harbour Station
P O Box 15 500
901 Cap Diamant
Quebec City, Quebec
G1K 7Y7

Tel: (418) 648-2562

1.5 RESOURCE-SHORT PLANT PROGRAM (RSPP)

Objectives

The main objective of the resource-short plant program is to provide a specific amount of offshore-caught fish to plants which are unable to operate during the off-peak fishing season because of insufficient supplies of fish. The intent of the program is:

- to increase the plants' economic viability;
- to create employment.

Description

The program was established in 1977, when individual Canadian companies were granted permission to enter into contracts with foreign partners on an ad hoc basis for the delivery of fish to their respective plants for further processing.

The program was initially restricted to Newfoundland plants. In 1984, the RSPP was expanded to cover all five Atlantic provinces, with a specific amount of offshore-caught fish allocated to the program.

Eligibility

Processing plants must meet a number of eligibility criteria to participate in the RSPP:

- each must be an established groundfish processor, with an average groundfish production in any two of the years 1980, 1981 or 1982 of at least 1.5 million pounds;
- maximum groundfish production between November and April may not exceed 40 per cent of annual production during any of the previously specified two years;
- the principal source of supply for eligible plants must be derived from vessels less than 65 feet (19.8 metres LOA) in length;
- normally, only companies owning or operating four or fewer trawlers over 100 feet (30.5 metres LOA) in length may participate in the program;
- companies must demonstrate a capacity to operate in winter months by not requiring major modifications to operate in the winter season;
- plate freezing and cold storage capacity must be in place in the plants;

- the companies must be included in the list of plants eligible to participate established by the Department of Fisheries and Oceans.

For program information, contact:

Department of Fisheries and Oceans
Operations Branch
Champlain Harbour Station
P O Box 15 500
901 Cap Diamant
Quebec City, Quebec
G1K 7Y7

Tel: (418) 648-2562

1.6 CANADIAN SALTFISH CORPORATION

Objectives

The objectives of the Canadian Saltfish Corporation are:

- to regulate interprovincial and export trade in saltfish;
- to improve the earnings of producers who sell saltfish through central agencies;
- to rationalize production.

Description

No grants are available. This is a non-profit corporation which holds the exclusive right to trade in and market cured fish and its by-products in the province of Newfoundland and the Lower North Shore of Quebec. It is required to buy all cured fish of an acceptable standard of quality offered for sale in these two regions.

The operations of the Corporation are aimed at improving the organization and structure of all stages leading to the marketing of saltfish, including fishing, processing (salting, filleting, drying), grading by species and quality criteria, transport, location of market outlets, packaging, sales and delivery. To this end, the Corporation establishes quality standards for filleting, salt content and drying of fish. It also assists with the introduction of new techniques in various firms and promotes investment. In the past, it has supplied fishermen with salt and has subsidized product transportation costs.

For further information, contact:

Canadian Saltfish Corporation
Torbay Road
P O Box 6 088
St John's, Newfoundland
A1C 5X8

Tel: (709) 737-6071

1.7 FISHERIES PRICES SUPPORT BOARD

Objective

The main objective of the Fisheries Prices Support Board is:

- to protect fishermen against sharp declines in prices and consequent loss of income due to causes beyond their control.

Description

The Board is empowered to purchase fishery products for its own account and to make deficiency payments to producers of such products. In establishing purchase prices and in determining the rate at which deficiency payments are to be made, the Board endeavours to secure a fair relationship between the returns from fisheries and those from other occupations.

In addition, the Board acts as procurement agency for the supply of fishery products required by the Canadian International Development Agency for food-aid and development programs. It also develops temporary programs in response to specific needs. Examples have included loans to repair facilities damaged by ice, temporary groundfishing assistance, and international food aid development.

For further information, contact:

Fisheries Prices Support Board
200 Kent Street
Centennial Towers Building
Ottawa, Ontario
K1A 0E6

Tel: (613) 993-2507

2. DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION (DRIE)

2.1 INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM (IRDP)

Objective

This new program has been established to support private sector initiatives and is aimed at projects, industries and technologies with the greatest potential for economic return, sustained growth and international competitiveness.

Description

The Industrial and Regional Development Program (IRDP) came into effect during the 1983-84 fiscal year and was modified in November 1984 and February 1985. This important program maintains the best features of former Department of Industry, Trade and Commerce (IT&C) and Department of Regional Industrial Expansion (DRIE) programs, while including new elements. Its purpose is to provide industries across Canada in various sectors, including fishing, with direct assistance. Administered primarily by regional offices, the program is designed to be more flexible in making federal assistance available to industry and for regional economic development, and is particularly suited to the needs of small and medium-sized businesses. Features include:

- simple structure, regulations and procedures;
- eligibility of unincorporated entities for assistance;

- assistance to cover the cost of:

  - consultants' studies;
  - venture capital searches;
  - marketing initiatives;
  - innovation and development of new products involving low risk by small businesses;
  - manufacturing and processing operations.

The flexibility of the program means that assistance can be tailored to the applicant's individual situation, the nature of the project and the need for support.

The program provides grants and contributions throughout a project's development, depending on the support required at different stages. Support is provided for:

- innovation;
- establishment of a firm;
- modernization and expansion of an industrial firm;
- marketing of a product.

The level of assistance varies in each region according to a four-tier scale based on the following three criteria:

- unemployment rate;
- personal income;
- provincial fiscal capacity.

Thus, the program offers greater assistance to economically disadvantaged areas. The cut-off points between the tiers are defined as follows:

Tier IV: those regions in which the 5% of Canadians most in need of economic assistance reside;

Tier III: those regions in which the next 15% in terms of economic development need reside;

Tier II: those regions in which the next 30% of the population reside;

Tier I: those regions in which the remainder of the Canadian population resides.

The following table shows the breakdown of Quebec regions by tier for July 1985:

IRDP TIERS IN QUEBEC

CENSUS DIVISION		TIER GROUP	CENSUS DIVISION		TIER GROUP
84	Abitibi	III	62	L'Assomption	II
74	Argenteuil	III	13	L'Islet	III
34	Arthabasca	III	47	Maskinongé	IV
40	Bagot	III	06	Matane	IV
23	Beauce	III	05	Matapedia	IV
70	Beauharnois	III	27	Megantic	III
15	Bellechasse	III	54	Missisquoi	III
49	Berthier	III	61	Montcalm	III
04	Bonaventure	IV	14	Montmagny	III
38	Brome	III	17	Montmorency 1	III
56	Chambly	II	16	Montmorency 2	III
32	Champlain	III	67	Napierville	III
11	Charlevoix East	III	33	Nicolet	III
12	Charlevoix West	III	99	Northern Quebec	III
94	Chicoutimi	III	75	Papineau	III
69	Chateauguay	II	80	Pontiac	IV
25	Compton	III	29	Portneuf	III
73	Deux Montagnes	II	20	Quebec	II
22	Dorchester	III	50	Richelieu	III
41	Drummond	III	35	Richmond	III
24	Frontenac	III	07	Rimouski	III
02	Gaspé East	IV	08	Riviere du Loup	III
03	Gaspé West	IV	52	Rouville	II
78	Gatineau	II	97	Saguenay (North Shore)	III
79	Hull	II			
68	Huntingdon	III	51	Saint Hyacinthe	II
53	Iberville	III	55	Saint Jean	II
01	Magdalen Islands	IV	43	Saint Maurice	III
65	Ile de Montreal	II	39	Shefford	III
64	Ile Jesus	I	36	Sherbrooke	II
58	Joliette	III	71	Soulanges	II
10	Kamouraska	III	37	Stanstead	III
76	Labelle	IV	83	Temiscamingue	III
93	Lac St Jean East	III	09	Temiscouata	IV
90	Lac St Jean West	IV	63	Terrebonne	II
66	Laprairie	I	72	Vaudreuil	II
21	Levis	II	57	Vercheres	I
28	Lotbiniere	III	26	Wolfe	III
			42	Yamaska	III

Source: DRIE

Note that the distribution of regions by tier is subject to annual adjustment on the basis of changes in the three statistical indicators used to establish the tier groups.

Form of assistance

The program elements, eligible projects under each element, and maximum level of support available for each project appear in the following table.

PROGRAM ELEMENTS	ELIGIBLE PROJECTS AND ACTIVITIES	MAXIMUM LEVEL OF ASSISTANCE			
		TIER I*	TIER II	TIER III	TIER IV
1. Innovation	Consultants' studies, development of new products or processes, development of technological capability, development and demonstration, design	33.3%	40%	50%	50%
2. Establishment	a) Consultants' studies	N/A	30%	37.5%	37.5%
	b) Establishment	N/A	17.5%	25%	30%
3. Modernization/ Expansion	a) Consultants' studies	N/A	30%	37.5%	37.5%
	b) Modernization/ Expansion	N/A	17.5%	25%	25%
	c) Adaptation of microelectronic and electronic technology	N/A	30%	37.5%	37.5%
4. Marketing	a) Studies of potential markets and events to promote Canadian products for non-profit organizations	45%	45%	45%	45%
	b) Consultants' studies	25%	30%	37.5%	37.5%

* If the unemployment rate in a Tier I region exceeds the national average by one percentage point or more for any consecutive six-month period, that region will be eligible for Tier II assistance for one year with respect to the "establishment" and "modernization/expansion" elements (up to 17.5%).

Source: Department of Regional Industrial Expansion (DRIE) information brochures.

Eligibility

In general, the applicant's eligibility depends on the type of project or activity he wishes to undertake. Thus, on condition that the project is carried out in Canada, the following may receive assistance under the IRDP:

- individuals;
- associations;
- corporations;
- co-operatives, etc.

To qualify, projects must involve one of the four program elements, that is, innovation, establishment, modernization and expansion of an industrial firm, or marketing of a product.

Further information on the IRDP may be obtained from any of the eight DRIE offices in Quebec listed in section 2.4.

2.2 PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD) - FISH

Objective

The purpose of the PEMD-Fish is:

- to promote growth of current export markets and entry into new markets.

Description

PEMD-Fish provides financial assistance to facilitate the development of export markets for Atlantic groundfish and herring. Assistance is available for the following activities:

(a) Specific project bidding

Financial assistance is available to Canadian firms for the purpose of bidding on specific projects conducted outside Canada.

(b) Market identification

PEMD-Fish provides Canadian firms with financial assistance for the purpose of travelling abroad to identify new export markets. Assistance is available to cover travel abroad by representatives, market studies, technical costs and industrial co-operation arrangements.

(c) Participation in trade fairs abroad

Assistance is available to Candian exporters to cover the cost of participating in foreign trade fairs and industrial exhibitions outside Canada. Assistance may be renewed up to three times for the same event.

(d) Incoming buyers

PEMD-Fish shares the cost of bringing potential foreign buyers to Canada or to an approved location abroad.

(e) Export consortia

Canadian firms, especially small and medium-sized businesses, may obtain assistance to form permanent export consortia.

Assistance is available for feasibility studies, the formation of consortia and operating costs for up to three years.

(f) Sustained export market development

PEMD-Fish helps Canadian exporters to undertake sustained marketing efforts in foreign markets by establishing on-location facilities. It contributes to the cost of studies and market penetration plans as well as the implementation of marketing plans for periods of up to three years.

Form of assistance

(a) Specific project bidding

Assistance for an approved project may cover part of the personnel costs, transportation costs and other costs incurred after the effective date of the application.

- personnel costs:
  - an allowance of $100 per day for travel in Canada;
  - an allowance of $150 per day for travel outside Canada.
- transportation costs:
  - 50% of the return economy air fare (or its equivalent) to the furthest point of an approved itinerary. The cost of travel between two points in Canada is not eligible.
- other costs:
  - 50% of special costs demonstrated as being necessary, such as consulting fees and legal and translation costs.

If the foreign contract is awarded to the company, the Department's contribution is repayable in two equal payments, the first within six months, and the second within twelve months of the signing of the foreign contract. If no contract is obtained within three years, the company's obligation to repay is terminated.

(b) Foreign market identification

The following assistance is available for the identification of foreign markets:

- personnel costs: - a daily allowance of $150 while abroad for a maximum of two full-time employees.
- transportation costs: - 50% of return economy air fare (or its equivalent) to the farthest point on the itinerary.

If sales of products and/or services are made in the market areas covered by the application, the applicant will be be required to repay the contribution as stipulated in the terms of the agreement.

(c) Participation in trade fairs abroad

The following assistance is available for participation in trade fairs abroad:

- personnel costs: - a daily allowance of $150 for a maximum of two full-time employees working at the trade fair.
- transportation costs: - 50% of return economy air fare (or its equivalent).

. other costs: - 50% of the following show-related costs:

  . space rental;
  . design and material costs for booths;
  . other display costs: electricity, furniture and equipment rental, cleaning services;
  . transportation of display and/or products;
  . insurance;
  . display erection and dismantling;
  . special show literature and promotional material.

If sales of the products and/or services are made in the market areas covered by the application, the applicant will be required to repay the contribution as stipulated in the terms of the agreement.

(d) Incoming buyers

The following assistance is available under PEMD-Fish with respect to incoming buyers:

. incoming buyer's costs:
  - a daily allowance of $150 for each business day the incoming buyer is with the host firm, including two days' travel.

. travel costs:
  - 50% of the incoming buyer's return economy air fare (or its equivalent).

If sales of the products and/or services are made in the market areas covered by the application, the applicant will be required to repay the contribution as stipulated in the terms of the agreement.

(e) Export consortia

The following assistance is available for approved projects:

- personnel costs:
  - an allowance of $100 for every day of travel in Canada;
  - an allowance of $150 for every day of travel outside Canada.
- transportation costs:
  - 50% of the return economy air fare (or its equivalent) to the farthest point on the approved itinerary.
- other costs:
  - 50% of other costs demonstrated as being necessary and having a direct bearing on the success of the project.

If the consortium succeeds in exporting its products, the PEMD contribution is repayable according to the terms of the original agreement.

(f) Sustained export market development

- personnel costs:
  - an allowance of $100 for every day of travel in Canada, except during the implementation phase of market penetration plans;
  - an allowance of $150 for every day of travel outside Canada.

- transportation costs: - 50% of the return economy air fare (or its equivalent) to the farthest point on the itinerary. Costs for travel between two points in Canada are not eligible.

- other costs: - 50% of other costs demonstrated as being necessary and having a direct bearing on the success of the project.

In the event that the applicant succeeds in exporting through its new facilities, the PEMD-Fish contribution is repayable according to the terms of the original agreement.

Eligibility

Assistance under all six PEMD-Fish activities is available to incorporated exporters undertaking projects for the development of export markets for Atlantic groundfish and herring and products derived therefrom. The product involved must originate in establishments for which a registration certificate has been issued. For all other fishery products, the usual PEMD criteria apply.

To be eligible for PEMD assistance, the applicant organization must:

- be currently established in Canada;

- have sufficient experience to have the ability or potential for competitive performance in foreign markets for the products or services offered;

- be financially viable and capable of successfully completing the project.

For further information on the PEMD, contact one of the eight DRIE offices in Quebec listed in section 2.4.

2.3 BUSINESS IMPROVEMENT LOANS

Objective

The Business Improvement Loans Program is designed to:

- help new or existing small business enterprises obtain term loans from chartered banks and other designated lending institutions for a variety of major improvements.

Description

Loan applications are approved without unnecessary delays because loans guaranteed under the Small Businesses Loans Act are arranged directly by the borrower and eligible lender with no prior approval by the federal government necessary.

Loans are available for:

- the purchase of equipment, the cost of installation of fixed equipment, and the renovation, improvement or modernization of equipment;

- the purchase or construction of new premises, or the renovation, improvement or modernization of existing premises in which the business is carried on or about to be carried on;

- the purchase of land for the operation of a business, including the purchase of buildings thereon.

Form of assistance

A business can obtain guaranteed loans worth up to $100,000. Subject to this maximum, loans can be used to finance up to:

- 80% of the cost, including installation, of fixed or movable equipment;

- 90% of the cost of the purchase or construction of new premises or the purchase of land, or the renovation or improvement of existing premises.

The rate of interest is set at one per cent above the prime lending rate of the chartered banks and fluctuates with this rate for the duration of the loan.

The maximum period over which a loan can be repaid is not to exceed ten years.

All loans must be secured. Security taken can be in the form of a pledge or other security that the lender deems to be required. The detailed loan conditions are agreed upon between the applicant and the lender, and depend mainly on the amount of the loan and the applicant's financial situation.

Eligibility

This program applies to new and existing businesses. A small business is an enterprise whose annual gross revenues do not exceed $2 million during the fiscal period in which the application is made. In the case of a new business, it is an enterprise whose estimated gross revenue in the first fiscal period, not less than 52 weeks, does not exceed $2 million.

Loans can be made to small businesses in:

- manufacturing;
- wholesale or retail trade;
- service businesses;
- transportation;
- communications;
- construction.

For further information and application forms, contact the lending agency of your choice. Information is also available at the following address:

Department of Regional Industrial Expansion
Administration
Business Improvement Loans
Ottawa, Ontario
K1A 0H5

Tel: (613) 995-0497

2.4 CONTACTS FOR FURTHER INFORMATION

There are eight DRIE offices in Quebec:

Alma:
170 St Joseph Street South
Room 203
Alma, Quebec
G8B 3E8
Tel: (418) 668-3084 (local)
1-800-463-9808 (long distance)

Drummondville:
Place du Centre
150 Marchand Street
Room 502
Drummondville, Quebec
J2C 4N1
Tel: (819) 478-3333 (local)
1-800-567-1418 (long distance)

Montreal:
800 Place Victoria
P O Box 247, 38th Floor
Montreal, Quebec
H4Z 1E8
Tel: (514) 283-8185 (local)
1-800-361-5367 (long distance)

Quebec City:
John Munn Building
112 Dalhousie Street
Quebec City, Quebec
G1K 4C1
Tel: (418) 648-4826 (local)
1-800-463-5204 (long distance)

Rimouski
180 Du Gouverneur Street
3rd Floor
Rimouski, Quebec
G5L 8G1
Tel: (418) 722-3282 (local)
1-800-252-9073 (long distance)

Sherbrooke
1335 King Street West
Room 303
Sherbrooke, Quebec
J1J 2B8
Tel: (819) 565-4713 (local)
1-800-567-6084 (long distance)

Trois Rivières
Pollack Building
225 Des Forges Street
2nd Floor
Trois Rivieres, Quebec
G9A 2G7
Tel: (819) 374-5544 (local)
1-800-567-8637 (long distance)

Val D'Or
Place du Québec
888 3rd Avenue
Room 302
Val D'Or, Quebec
J9P 5E6
Tel: (819) 825-5260 (local)
1-800-567-6451 (long distance)

3. INDIAN AND NORTHERN AFFAIRS CANADA

3.1 INDIAN ECONOMIC DEVELOPMENT FUND

Objective

The main purpose of the Indian Economic Development Fund is:

- to assist in the economic development of Indian reserves.

Description

The Indian Economic Development Fund was established in 1970 by Indian and Northern Affairs Canada to provide a source of financing for the development of viable economic and employment opportunities for Indian people. Through the fund, a source of capital is available to ensure that Indian businesses have access to basic financing and to the managerial, professional and technical services necessary for the successful operation of their enterprises.

Form of assistance

There are four principal features of the Indian Economic Development Fund:

- loans;
- contributions;
- guarantees;
- management advisory services.

(a) Loans

Direct loans based on standard lending criteria are available to finance working capital and fixed assets such as buildings, equipment, machinery and inventory. The borrower pays interest at a rate based on the average commercial prime rate plus one to three per cent.

The maximum term of a loan is 15 years. Applicants are expected to make an equity contribution (20 per cent of total eligible project costs) toward all projects. However, this provision may be modified or waived in certain circumstances.

(b) Contributions

To ensure flexibility in meeting problems faced by Indian people in the development or expansion of business operations, contributions are available for infrastructure, economic planning, support services, start up costs and equity. Contribution funding does not require repayment but does require accountability. Applicants are expected to make an equity contribution toward projects.

(c) Guarantees

The object of the guarantee program is to facilitate Indian access to outside financing by providing commercial lenders with security not normally available to them due to section 89 of the Indian Act. The program also enables lenders to share loss risk with the Minister.

Guarantees are available for loans made to eligible applicants by designated lenders such as chartered banks and approved trust companies and credit unions.

Guarantee applications must be approved by the department prior to the loan being disbursed by the lender.

(d) Management advisory services

In addition to financial assistance, the Indian Economic Development Fund program provides a wide range of advisory and support services, including:

- technical and managerial services to new and expanding businesses;
- pre-loan counselling, including assistance in preparing a business proposal;
- liaison with alternate sources of funding through other government departments, banks, credit unions and other approved lenders;
- staff training;
- accounting systems;
- post-loan counselling;

- Canadian Executive Services Overseas (CESO) management services.

To assist Indian businesses in their development, professional and technical expertise is available on a short term basis from Indian and Northern Affairs Canada and from outside agencies.

CESO recruits business people on a voluntary basis to provide management expertise and advice to Indian bands and other interested business enterprises.

Eligibility

Eligible applicants include Indian bands and Indian or non-Indian individuals, groups or business enterprises which contribute to the economic development of Indian people, both on and off reserve.

Financing is available for:

- resource development;
- retail trade;
- business services;
- manufacturing;
- transportation;

- wholesale trade;
- communication;
- construction;
- any other viable business.

Excluded are businesses dedicated to the furtherance of a charitable or religious purpose. Professions recognized as such by either federal or provincial law are eligible only if they are unable to acquire outside funding for reasons of limited security pursuant to section 89 of the Indian Act.

Applicants must also demonstrate that:

- competent management is available or can be arranged;
- the expected earnings of the proposed or existing business will be sufficient to keep the business operating and to repay any loans incurred;
- financing is not required for refinancing an outstanding debt;
- normal business practices are followed;
- security is available for the reasonable protection of the lender.

Further information on the Indian Economic Development Fund and application forms for funding assistance are available from the following office:

Indian and Northern Affairs Canada
Economic Development Branch
Business Services
320 St Joseph Street East
P O Box 3725
Quebec City, Quebec
G1K 7Y2

Tel: (418) 648-4104

3.2 INUIT ECONOMIC DEVELOPMENT FUND

Objective

The main purpose of the Inuit Economic Development Fund is:

- to assist in the economic development of Inuit communities.

Description

The Inuit Economic Development Fund was established in 1970 by Indian and Northern Affairs Canada to provide a source of financing for the development of viable economic and employment opportunities for Inuit people.

The Inuit Economic Development Fund is identical in most respects to the Indian Economic Development Fund.

The forms of assistance are the same for both funds, but the Inuit Economic Development Fund provides assistance for economic activities that are specific to Inuit culture. For example, it makes financing available for trapline operations.

Form of assistance

- loans;
- contributions;
- guarantees;

- management advisory services.

The four features of the Inuit Economic Development Fund are identical to those of the Indian Economic Development Fund, which are described in section 3.1 of this Guide.

Eligibility

Eligible applicants include Inuit communities and Inuit and non-Inuit individuals, groups or business enterprises which contribute to the economic development of Inuit people, both within and outside Inuit communities.

Financing is available for:

- resource development;
- retail trade;
- business services;
- manufacturing;
- transportation;
- wholesale trade;
- communication;
- construction;
- any other viable business.

Applicants must also demonstrate that:

- competent management is available or can be arranged;
- the expected earnings of the proposed or existing business will be sufficient to keep the business operating and to repay any loans incurred;
- financing is not required for refinancing an outstanding debt;
- normal business practices are followed;
- security is available for the reasonable protection of the lender.

Further information on the Inuit Economic Development Fund and application forms for funding assistance are available from:

Indian and Northern Affairs Canada
Economic Development Branch
Business Services
P O Box 3725
320 St Joseph Street East
Quebec City, Quebec
G1K 7Y2

Tel: (418) 648-4104

4. EMPLOYMENT AND IMMIGRATION CANADA

4.1 LOCAL EMPLOYMENT ASSISTANCE AND DEVELOPMENT PROGRAM (LEAD)

Objective

The objective of the LEAD program is:

- to increase the number of permanent jobs in communities of less than 50,000 suffering from high unemployment.

Description

Under this program, the federal government provides funds for job creation in communities plagued by chronic high unemployment. LEAD combines the following former programs:

- Local Employment Development Assistance;
- Local Employment Assistance Program.

The LEAD program is unique in that it is independent of other agencies with respect to the evalutation of assistance granted. Thus, funds from other sources are not deducted from the assistance provided under the program.

In order to meet its objective, the program provides funds for LEAD corporations and LEAD projects.

(a) LEAD corporations

A LEAD corporation may be established by local firms or community groups with the assistance of Canada Employment and Immigration Commission (CEIC) counsellors. The corporation is a community-based, non-profit organization whose role is to provide local residents with counselling services and technical assistance to help them establish new businesses or expand existing ones, advising them of financial support which may be available. It can also lend money or make grants to local business ventures that will create new jobs.

Form of assistance

LEAD corporations may qualify for:

- up to $50,000 for the corporation's planning stage;
- up to $130,000 annually for the corporation's operations;
- up to $220,000 annually for investment in and loans to local businesses.

The planning stage for a LEAD corporation normally lasts six months and may in no case exceed twelve months to qualify for assistance under this facet of the program.

The funding of operations is approved for an initial period of no more than five years. However, the amount as well as the duration of assistance are subject to annual review.

(b) LEAD projects

LEAD projects are undertaken by community groups and organizations involved in local development, such as Chambers of Commerce, fishermen's associations and economic development associations.

Three kinds of LEAD projects may be undertaken:

(1) planning projects;
(2) enterprise projects;
(3) infrastructure projects.

(1) Planning projects

These involve planning the establishment and operation of a firm or infrastructure project.

Form of assistance

Plannning projects may receive up to $50,000 for a maximum one-year period.

(2) Enterprise projects

These are projects to establish new profit-making businesses to promote local economic expansion and create employment in the community.

Form of assistance

Enterprise projects may qualify for:

- up to $50,000 for the planning stage, as described in (1);
- up to $350,000 annually for the project implementation stage.

Implementation financing is approved for an initial period of up to five years. However, the amount as well as the duration of assistance are subject to annual review.

An amount not to exceed $1.5 million may be granted as an overall contribution to a LEAD project.

(3) Infrastructure projects

These include projects to establish and improve infrastructures such as fishing harbours in order to strengthen local capability for economic expansion.

Form of assistance

Infrastructure projects may qualify for:

- up to $50,000 for the planning stage, as described in (1);
- up to $350,000 annually for the project implementation stage.

Implementation financing may be approved for a maximum period of two years.

Eligibility (LEAD corporations and LEAD projects)

The eligibility of employers and participants for the LEAD program is determined as follows:

- eligible employers: Local organizations involved in employment development, such as Chambers of Commerce, economic development associations and co-operatives, may apply for funds for LEAD corporations and projects if their community:
  - generally has fewer than 50,000 residents;
  - suffers from chronic high unemployment;
  - has proven itself with respect to economic planning and expansion.

- eligible participants: Any person who is legally authorized to work in Canada may qualify for a job created under this program. However, priority is assigned to unemployed persons. Persons hired to work on LEAD projects must normally be referred by a Canada Employment Centre (CEC), while those who work for LEAD corporations are not required to go through this hiring procedure.

This program is aimed at people living in designated ridings. At present, 19 federal ridings are covered by the program: Abitibi, Temiscamingue, Labelle, Pontiac, Champlain, Berthier, St Maurice, Beauce, Charlevoix, Portneuf, Chicoutimi, Lac St Jean, Roberval, Manicouagan, Bonaventure, Gaspé, Rimouski, Matane and Riviere du Loup.

Proposals and requests for information should be sent to:

Employment and Immigration Canada
Employment Development Branch
410 Charest Boulevard East
6th Floor, Room 601
Quebec City, Quebec
G1K 3J1

Tel: (418) 522-4071

4.2 JOB DEVELOPMENT PROGRAM

Objective

The main objective of the Job Development program is:

- to increase the employability of long-term unemployed Canadians through a program of training and work experience that will provide needed skills.

Description

The Job Development program focusses on the needs of individual workers and the improvement of long-term employment prospects in the light of local economic growth and potential.

Proposals funded under the program will run for a maximum duration of 52 weeks and combine, as appropriate, training on and off the job.

The program provides employers with subsidies to hire and train the workers they need to meet new labour market requirements.

Canada Employment Centre counsellors assess the training and work experience needs of participants and direct them toward projects that are best suited to their requirements.

Projects are not intended to create regional dependence and are not be used to displace existing staff. In addition, project employers are expected to provide appropriate supervision to employees.

Form of assistance

Eligible employers in the private sector may qualify for wage subsidies of up to 60% to a maximum of $350 per week and direct financial assistance for capital costs and training. Those employers who require special equipment or will have to make alterations to the work place in order to hire disabled persons may be reimbursed for associated costs up to a maximum of $10,000.

To cover direct training costs, employers may receive $40 per day per person. The Job Development program may also pay expenses related to the hiring of a project manager.

Eligibility

Eligible employers under the Job Development program are:

- businesses;
- community groups;
- municipalities;
- individuals; and
- volunteer organizations.

Eligible employees are persons who have been unemployed in at least 24 of the last 30 weeks, including the employment disadvantaged:

- women;
- disabled persons;
- Native people;
- members of visible minorities.

For further information, contact:

Department of Fisheries and Oceans
Regional Headquarters
Champlain Harbour Station
P O Box 15 500
901 Cap Diamant
Quebec City, Quebec
G1K 7Y7
Tel: (418) 648-3011

Employment and Immigration Canada
Employment Development
410 Charest Boulevard East
Quebec City, Quebec
G1K 3J1
Tel: (418) 522-4071

Employment and Immigration Canada
Employment Development
152 Perron Boulevard West
New Richmond, Quebec
G0C 2B0
Tel: (418) 392-5071

Employment and Immigration Canada
Employment Development
70 St Germain Street East
Place St Laurent
Rimouski, Quebec
G5L 7J9
Tel: (418) 722-3327

Employment and Immigration Canada
Employment Development
701 Laure Boulevard
Sept Iles, Quebec
G4R 1X8
Tel: (418) 962-5501

4.3 UNEMPLOYMENT INSURANCE (SPECIAL BENEFITS FOR FISHERMEN)

Objective

Unemployment insurance is designed:

- to provide fishermen with a decent minimum income during periods when no work is available.

Description

The Unemployment Insurance Plan provides special benefits for fishermen. We will review the main conditions rather than present an exhaustive description of the entire plan. We will cover:

- the definition of an "insurable fisherman";
- insurable weekly earnings;
- premiums payable;
- entitlement conditions, benefit period and benefit amounts.

(a) Definition of an "insurable fisherman"

"Fisherman" means a self-employed person engaged in fishing and includes a person engaged, other than under a contract of service or for his own or some other person's sport:

- in making a catch;
- in any work incidental to making or handling a catch; or
- in the construction of a fishing vessel for use by himself or by a crew of which he is a member in making a catch.

Claimants under a contract of service which stipulates periods of work and inactivity are no longer eligible for unemployment insurance benefits during periods when no work is available to them. From now on, persons under annual service contracts will be considered to have work as long as their contracts are in effect.

A fisherman's employment is in all cases insurable, unless:

- he is 65 or over;
- he is employed by his spouse;
- the employment constitutes an exchange of work or services;
- his earnings for one week are less than 20% of the maximum insurable weekly earnings, that is, less than $92 (NB: This provision does not apply to fishermen who own their own vessels);
- he is employed by a corporation of which he, his spouse or both he and his spouse control 40% of the shares;
- he does not receive any earnings in cash.

(b) Amount of weekly insurable earnings

The weekly insurable earnings of a fisherman who is a member of a crew consist of the amount he is paid in accordance with the established share arrangements, including any bonus or additional amount, up to $460 per week for 1985.

For a fisherman who owns his own boat, insurable earnings are based on the greater of the following:

(1) the gross returns of the catch made by the crew, less:
- the amounts paid or payable to the other members of the crew and 25% of the gross returns; or

(2) 20% of the maximum weekly insurable earnings, or $92 in 1985.

The weekly earnings amount is updated at the beginning of each year, in January.

(c) Premiums payable

The fisherman pays a premium equal to 2.3% of his weekly insurable earnings. The employer's contribution is 1.4 times the fisherman's contribution.

(d) Entitlement conditions, benefit period and amount of benefits

A distinction is made between year-round fishermen and seasonal fishermen.

. Year-round fishermen:

This category includes fishermen who have worked long enough on designated vessels to fish year round.

To qualify for Unemployment Insurance benefits, persons in this category must have 15 weeks or more of insurable employment during the qualifying period (that is, the period that counts for the calculation of insurable weeks), namely the 52 most recent weeks.

The maximum benefit period is 52 weeks.

The amount of benefit is 60% of the average insurable earnings, up to a maximum of $276 for 1985.

. Seasonal fishermen:

The second category includes fishermen who cannot qualify as regular claimants or year-round fishermen.

The qualifying period is from March 31 to November 1 for summer fishermen and from October 1 to May 1 for winter fishermen.

To qualify for benefits, seasonal fishermen (summer or winter fishermen) must have worked at least ten weeks during their qualifying period, and have paid premiums on earnings from fishing for at least six weeks.

The maximum benefit period for seasonal fishermen is 29 weeks.

Seasonal fishermen may receive Unemployment Insurance benefits during one of the following benefit periods:

- from November 1 to May 15, for those whose qualifying period is from March 31 to November 1 (summer fishermen);
- from May 1 to November 15, for those whose qualifying period is from Obtober 1 to May 1 (winter fishermen).

When the claimant has less than fifteen weeks of insurable earnings from fishing (that is, from 6 to 14 weeks), the benefit rate is 60% of his average insurable weekly earnings during the qualifying period. But when he has fifteen weeks or more of insurable fishing earnings, the claimant may receive benefits based on the ten best weeks of fishing. The rate in effect for calculating benefits here again is 60%. In both cases, the maximum weekly amount of benefits is $276 in 1985.

For further information, contact:

Employment and Immigration Canada
Canada Employment Centre
Frédérica Giroux Building
P O box 980
98 De la Reine Street
Gaspé, Ouebec
G0C 1R0
Tel: (418) 368-3331

5. REVENUE CANADA

5.1 INCOME TAX (SPECIAL PROVISIONS FOR FISHERMEN)

Objective

The federal government has made special income tax provisions for fishermen in order:

- to ensure stable, adequate income for fishermen as well as private interests in the fishing industry and to prevent hardship as a result of poor fishing seasons.

Description

The Income Tax Act contains special provisions respecting fishermen. We will outline the main features, which are:

(a) expense deductions;
(b) capital cost allowances;
(c) eligible capital expenditures;
(d) loss carry-backs;
(e) income averaging;
(f) investment tax credits.

(a) Deductible expenses

Like any other business, fishing businesses are entitled to deduct any expenses they incur to earn income. The following fishing expenses may currently be deducted from income for tax purposes:

- wages and food provided to crew members;
- gasoline and oil used for fishing vessels;
- various minor items;
- annual licence renewal fee;
- nets and traps;
- small tools (less than $200) used in fishing;
- general vessel repairs and maintenance;
- general engine repairs and maintenance;
- general electrical equipment repairs and maintenance;
- automobile expenses incurred to earn fishing income;
- interest on money borrowed over the year to earn fishing income;
- insurance premiums paid to earn fishing income.

(b) Capital cost allowances

The cost of depreciable assets and capital expenditures such as boats, engines, equipment and improvements cannot be claimed as an expense in one year, but may be claimed as depreciation over a number of years, subject to the rates established for the class of assets concerned in the Income Tax Regulations.

(c) Eligible capital expenditures

A portion of such capital expenditures as the purchase of a fishing licence and payment of other government fees may be deducted each year.

(d) Loss carry-backs

Fishing losses may be deducted from taxable income over the three years preceding and the ten years following the year of the loss.

(e) Income averaging

Fishermen who wish to use income averaging to offset income fluctuations may choose one of two methods:

- forward averaging;
- five-year block averaging.

Using forward averaging, subject to certain conditions, fishermen may average their income for one year over subsequent years, based on their average income for the previous three years.

The five-year block averaging method allows fishermen to calculate their income tax payable for the last year of a five-year period on the average income of those five years. The tax for each year must be paid when due.

It is not possible to use five-year block averaging for a given taxation year if the forward averaging method has been used in the same year or any previous taxation year included in the averaging period.

(f) Investment tax credits

Fishermen may obtain an investment tax credit for the purchase of eligible goods such as machinery, buildings, equipment and ships. The assets must be depreciable assets which were purchased new.

The investment tax credit is based on the rate applying to the region where the eligible assets were used. The deductible amount is subtracted from the income tax payable. Any credit not used to reduce federal income tax for one year may be used during the next five years.

Fishermen, fishing industry workers and any other persons wishing to obtain further information on income tax may contact:

Revenue Canada - Taxation
District Office
165 Dorchester South
Quebec City, Quebec
G1K 7L3
Tel: (418) 648-3180

5.2 TAX EXEMPTIONS

Objective

The purpose of tax exemptions is:

- to ensure stable, adequate income for fishermen as well as all private interests in the fishing industry.

Description

The fishing industry qualifies for exemptions on the purchase or import of various goods. These exemptions fall into two categories:

(a) exemptions for fishermen;
(b) exemptions for fish processing plants.

(a) Tax exemptions for fishermen

Fishermen may qualify for tax exemptions on the purchase of the following:

(1) Boats, and articles and materials for use exclusively in the manufacture, equipment or repair of such boats.

(2) Carrageen or Irish moss.

(3) Cotton duck and cotton sail twine for use exclusively in the manufacture of equipment for fishing vessels.

(4) Lobster pots, lobster traps, crab or shrimp pots, crab or shrimp traps, cod traps, eel traps, articles for binding or wedging lobster claws, and materials for use exclusively in their manufacture.

(5)
- Fishing nets and netting of all kinds;
- specially designed needles for use in repairing fishing nets;
- metal panel devices for use in keeping nets open;
- metal swivels;
- fish hooks to fit size 3/0 and over, other than triple hooks size 2/0 and over, provided they are marketed and sold in bulk;
- lures, jiggers and artificial baits;
- sinkers and floats, including trawl kegs;
- nylon mending yarn in 1/4 to 1/2 pound rolls, from 1/4 to 2 thousandths of an inch thick.
- marlines;
- shell gauges.

(6) Twine:

- 3 or 4-ply braided twine, used for attaching floats or cork lines to the top edges of gill or seine nets;
- mending twine in 1 and 2-pound rolls, used for salmon-seining and herring-seining nets;
- nylon seining twine (tarred) used to mend seining nets, in rolls of 2 pounds or more;

- laceage twine used to fasten smaller nets together to make nets of required sizes;
- branch line twine: braided twine attached to main line and bearing hooks.

(7) Fishing lines:

- single-ply monofilament fishing lines, 35 to 200-pound strength;
- all braided or twisted fishing lines;
- crab fishing lines: braided main lines used in crab fishing, generally 1/4 to 5/16 of an inch in diameter;
- cork lines: braided 3-ply lines, used to string floats together and attach them to nets;
- weed lines: braided lines 1/4 to 5/16 inch in diameter, used where weeds are present and to attach cork lines to avoid snagging debris;
- Leadcore leadlines for gillnets, used to keep nets in position.

(8) Cords and ropes used for lacing nets and for suspending cork lines and leaded lines; a braided, spun-nylon type, gauges 9 to 33, is used.

(b) Tax exemptions for processing plants

Processing plants may qualify for tax exemptions on the purchase of the following, upon presentation of the applicable exemption certificates:

(1) taxable articles and materials to be used exclusively in the manufacture or production of foodstuffs;

(2) machinery and apparatus, including repair parts for the foregoing, to be used primarily and directly in the manufacture or production of goods;

(3) processing materials, not including grease, lubricating oils or fuel for use in internal combustion engines, consumed or expended directly in the manufacture or production of goods;

(4) usual coverings and usual containers, including labels, to be used in covering and containing goods.

In addition, taxes may be refunded on the purchase of the following goods for incorporation into production equipment: pipes, couplings and valves, electrical wiring and conduits, and lifting apparatus.

For further information, contact:

Revenue Canada
Excise Tax Division
410 Charest Boulevard East
Quebec City, Quebec
G1K 3J1

Tel: (418) 648-4376

5.3 FEDERAL GASOLINE EXCISE TAX REFUND PROGRAM

Objective

The purpose of the gasoline excise tax refund program is:

- to ensure adequate income for fishermen.

Description

Federal excise tax is levied on regular gasoline at a rate of 1.5 cents per litre. Fishermen whose vessels run on regular gasoline may apply to Revenue Canada for a refund of the gasoline excise tax. The tax refund program does not apply to diesel engine fuel. To receive the tax refund, fishermen must:

- apply as soon as possible after June 30 or December 31 for claims under $200; or
- apply at any time of the year if the amount of the claim is $200 or more;
- be able to provide proof of payment of the tax upon request.

Eligibility

Any person is entitled to a refund of the tax he has paid on gasoline, provided that:

- the user's principal occupation is fishing;
- the user uses the gasoline for commercial or business purposes.

The gasoline must be purchased for the exclusive use of an eligible person, not for resale. Travel to and from the place of work is considered personal travel and is not covered by the tax refund program.

For further information, contact:

Revenue Canada
Excise Tax Division
P O Box 2117
410 Charest Boulevard East
7th Floor
Quebec City, Quebec
G1K 8G3
Tel: (418) 648-4804

5.4 FEDERAL FUEL TAX REBATE

Objective

The purpose of the federal fuel tax rebate is:

- to ensure an adequate income for fishermen.

Description

The federal fuel tax rebate is a temporary program that was introduced December 1, 1984, and will terminate January 1, 1987. The program is administered by Revenue Canada - Customs and Excise.

The tax rebate applies both to regular gasoline type fuel and diesel fuel. For the period December 1, 1984, to June 1, 1985, the amount of the fuel tax rebate is 4.8 cents per litre of gasoline or diesel fuel. The breakdown of the rebate is 1.8 cents per litre for the petroleum compensation charge and 3.0 cents per litre for federal sales tax. Beginning June 1, 1985, only the federal sales tax of 3.0 cents per litre will be refunded.

The deadline for claiming the petroleum compensation charge is now one year after the date of purchase.

The deadline for claiming the tax refund is four years after the date of purchase for purchases made on or before May 23, 1985, and two years after the date of purchase for purchases made on or after May 24, 1985.

Eligibility

To qualify for the federal fuel tax rebate, the user must:

- be a fisherman; and
- use the fuel for off-highway commercial purposes.

Persons eligible for this program are also eligible for the federal gasoline excise tax refund program.

For further information, contact:

Revenue Canada
Excise Tax Division
P O Box 2117
410 Charest Boulevard East
7th Floor
Quebec City, Quebec
G1K 8G3

Tel: (418) 648-4376

APPENDIX

PROGRAMS BY ECONOMIC SECTOR

Fishing industry assistance programs fall into the primary, secondary and tertiary sectors of the economy. Fishing operations are included under the primary sector, fish processing activities fall into the secondary sector, and services for the fishing industry belong to the tertiary sector.

This appendix lists the various programs described in this guide according to the intended beneficiaries:

(A) Primary sector	Section
• Fisheries Improvement Loans Program	1.1
• Fishing Vessel Insurance Plan	1.2
• Direct Sales to Foreign Vessels Program - Over-the-Side Sales	1.4
• Canadian Saltfish Corporation	1.6
• Fisheries Prices Support Board	1.7
• Local Employment Assistance and Development Program	4.1

- Job Development Program 4.2
- Unemployment Insurance (special benefits for fishermen) 4.3
- Income Tax (special provisions for fishermen) 5.1
- Tax Exemptions 5.2
- Federal Gasoline Excise Tax Refund Program 5.3
- Federal Fuel Tax Rebate 5.4

(B) Secondary sector

- Resource-Short Plant Program 1.5
- Canadian Saltfish Corporation 1.6
- Fisheries Prices Support Board 1.7
- Industrial and Regional Development Program 2.1
- Business Improvement Loans 2.3
- Indian Economic Development Fund 3.1
- Inuit Economic Development Fund 3.2
- Local Employment Assistance and Development Program 4.1

- Job Development Program 4.2
- Income Tax (special provisions) 5.1
- Tax exemptions 5.2

(C) Tertiary sector

- Direct Sales to Foreign Vessels Program - Over-the-Wharf Sales 1.3
- Canadian Saltfish Corporation 1.6
- Fisheries Prices Support Board 1.7
- Industrial and Regional Development Program 2.1
- Program for Export Market Development - Fish 2.2
- Business Improvement Loans 2.3
- Indian Economic Development Fund 3.1
- Inuit Economic Development Fund 3.2
- Local Employment Assistance and Development Program 4.1
- Job Development Program 4.2